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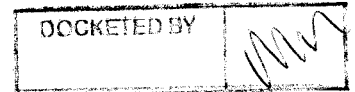
COMMISSIONERS

KRISTIN K. MAYES, Chairman  
GARY PIERCE  
PAUL NEWMAN  
SANDRA D. KENNEDY  
BOB STUMP

AZ CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission  
**DOCKETED**

JUL 14 2010



IN THE MATTER OF THE APPLICATION OF )  
DUNCAN VALLEY ELECTRIC )  
COOPERATIVE, INC. FOR APPROVAL OF A )  
TARIFF FOR SINGLE PHASE TOU SERVICE )

DOCKET NO. E-01703A-09-0040

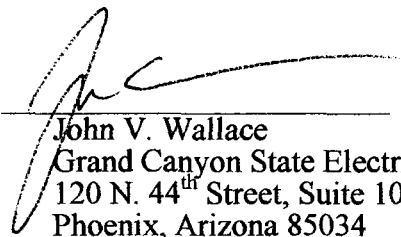
**COMPLIANCE**

Duncan Valley Electric Cooperative, Inc. ("DVEC"), hereby files with the Arizona Corporation Commission ("Commission") empirical data supporting its decision not to install advanced metering infrastructure in compliance with Decision No. 71636 dated April 14, 2010. DVEC has attached an initial quote from a vendor that shows a minimum total cost to its members of approximately \$85,000 not inclusive of the smart meter which costs approximately \$400 each. DVEC currently has a customer base of approximately 2,300 customers which would equate to a capital outlay of approximately \$40 per customer for smart metering. While DVEC has not been able to quantify the benefits from smart metering in its service territory through the collection of empirical data, DVEC's vendor estimates annual savings of \$14,500 due to automatic metering reading with monthly costs equal to \$8,100. DVEC believes that at this time, the cost threshold of \$440 per customer clearly exceeds the amount of any benefits that could be derived from smart metering. It would take over 13 years for DVEC to breakeven after it had invested in smart metering technology. DVEC believes that the metering equipment would

1 likely be obsolete after a 13 year period, as well. DVEC also believes that until customer  
2 appliances can communicate with each other and customers have adopted these new appliance  
3 technologies, smart metering has few direct benefits for its members.  
4

5  
6 RESPECTFULLY SUBMITTED this 14<sup>th</sup> day of July, 2010.  
7

8  
9 By

  
John V. Wallace  
Grand Canyon State Electric Cooperative Association, Inc.  
120 N. 44<sup>th</sup> Street, Suite 100  
Phoenix, Arizona 85034

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15  
16 Original and thirteen (13) copies  
17 filed this 14<sup>th</sup> day of July, 2010  
with:

18 DOCKET CONTROL  
19 Arizona Corporation Commission  
20 1200 West Washington Street  
21 Phoenix, Arizona 85007  
22  
23



Date: May 28, 2010  
Quote Number:

Company Name	Duncan Valley Electric
Contact	Dan Coates
Address	
City, State, Zip	
Phone Number	928-965-9639
Email	dan@dvec.org

**Budgetary Pricing Quotation  
TS2 Quote**

Description	Part Number	Unit Price	Qty	Ext. Price
<b>Hardware</b>				
Substation Processing Unit (SPU3000), includes (1) TS2 blade with fiber output (Command Center Version 4.0 required)	FASY-0632-0012	\$ 12,600.00	2	\$ 25,200.00
TS2 Blade Assy, w/o Fiber Optic Output	FASY-0632-0003	\$ 2,700.00	5	\$ 13,500.00
TS1 Blade Assy	FASY-0632-0005	\$ 2,700.00		\$ -
Blade Assy, Blank	FASY-0632-0004	\$ 36.00	5	\$ 180.00
Transformer Coupler Unit, 1X (Single Configuration) <i>Less than 11 MVA</i>	FASY-0532-0003/0004	\$ 7,200.00	1	\$ 7,200.00
Transformer Coupler Unit, 2X (TCU 50uH) <i>12 MVA or Greater</i>	FASY-0631-0001	\$ 9,900.00	1	\$ 9,900.00
Landis+Gyr FOCUS® AL Endpoint (Solid State) Retrofit	FASY-0624-0003/0004	\$ 70.50	96	\$ 6,768.00
Landis+Gyr FOCUS® AL Endpoint (Solid State) Factory Install	FASY-0694-0001/0002	\$ 70.50		\$ -
Landis+Gyr S4e® Polyphase Endpoint (Solid State)	FASY-0636-0002	\$ 150.00	8	\$ 1,200.00
Landis+Gyr FOCUS® AX or AX-SD Endpoint, Without ZigBee	26-1238/26-1239	\$ 85.00		\$ -
Landis+Gyr FOCUS® AX or AX-SD Endpoint, With ZigBee	26-1240/26-1241	\$ 120.00		\$ -
Remote Service Switch (RSS) - Adapter, Single Phase 200 ampere-max	FASY-0528-0001	\$ 250.00		\$ -
Load Control Switch (LCS)	FASY-0530-0001	\$ 150.00		\$ -
Landis+Gyr ecoMeter (In-home display using ZigBee)	01-1265	\$ 150.00		\$ -
User Manual	PUBS-0575-0102	\$ -		\$ -
<b>Subtotal</b>				<b>\$ 63,948.00</b>
<b>Training and Implementation Services</b>				
TS2 Project Management Services (See Terms/Conditions)	SERV-00035	\$ 15,000.00	1	\$ 15,000.00
<i>Project Management Services Discount</i>	SERV-00035	\$ (5,000.00)	1	\$ (5,000.00)
Orientation and First Substation Commissioning with Landis+Gyr FSR	SERV-00034	\$ 5,000.00	1	\$ 5,000.00
Substation Optimization and Commissioning by Landis+Gyr FSR (Per Sub)	SERV-00024	\$ 3,000.00	1	\$ 3,000.00
TS2 Command Center Introduction and Advanced Training for two employees, 4 days, classes available at Pequot Lakes, Atlanta, or regionally. Required (Utility is responsible for their own travel/expenses).	TRAIN-00021/00022		1	\$ 3,200.00
<b>Subtotal</b>				<b>\$ 21,200.00</b>
<b>Software - No Charge with Command Center MSP (Hosting) tab #2</b>				
TS2 Command Center License (based on 3000 meters)	FASY-0507-0007	\$ 23,000.00	N/C	
RSS/Service Disconnect Functionality within Command Center	LICN-00013	\$ 3,000.00	N/C	
Load Control Switch Functionality within Command Center	LICN-00016	\$ 3,000.00	N/C	
Command Center MDM Add-On Optional (per endpoint fee)	SFTW-00077	\$ 0.60		\$ -
Home Area Network (HAN) Functionality within Command Center - Required with ZigBee option.	Needs to be issued	\$ 5,000.00		\$ -
<b>Subtotal</b>				<b>\$ -</b>
<b>Landis+Gyr Total Extended Price</b>				<b>\$ 85,148.00</b>
<b>Third party hardware you need to purchase:</b>				
Server with SQL License, No charge with CCMSP				
Substation Outdoor Enclosure				
External Feeder CTs				
Transformers-Injection (KVA sizing to be determined)				
Handheld Programmer with Pocket PC2003 (Recommend Symbol Handheld MC9000 Series) - contact Don Stevens of emkat at 763-744-1204, www.emkat.com.				
Fiber Optic Cable (For TCU)				
Communication from Server to Substation				
CISCO® Router				
DCB Modems/Routers: Recommended site is: www.dcbnet.com				

- Unit prices for substation equipment reflect a 10% TS1 to TS2 Upgrade Discount.
- Substation equipment quantities and pricing may vary depending on actual substation configurations, feeds and requirements, and analysis of completed EEQs.
- Please contact your Landis+Gyr distributor directly for meter purchase (meters are not included in pricing). Meter manufacturing lead time can be up to 20 weeks.
- Additional Command Center functionality fees will apply if Load Control Switch and Home Area Network options are utilized.

**Account Executive:** Leo Supan at 612-845-6001  
**Inside Sales Coordinator:** Junell Wendt at 800-926-6254  
**Quote Coordinator:** Lisa Hanson at 218-562-5175  
**Rep Firm:** Zia Electric  
**Substation Communications Specialist:** Brad Caraway at 816-679-1435 or brad.caraway@landisgyr.com





CONFIDENTIAL

Date: May 28, 2010

Quote Number:

Company Name	Duncan Valley Electric
Contact	Dan Coates
Address	
City, State, Zip	
Phone Number	928-965-9639
Email	dan@dvec.org

**Budgetary Pricing Quotation**  
**Command Center MSP with MDM Option Based on 3000 Total Endpoints Deployed**

Description	Part Number	Unit Price	Qty	Extended Price
<b>CCMSP - Up to 2,000 deployed endpoints</b>				<b>Mthly Fee</b>
Command Center Managed Services Package (MSP)	SERV-00019	\$675.00	1	\$ 675.00
Total Annual Fee				\$ 8,100.00
<b>MDM Option</b>				<b>One Time Fee</b>
CCMSP- MDM Add-ON (one time fee) Optional	SFTW-00077	\$0.60	3,000	\$ 1,800.00

**Command Center MSP Notes:**

A minimum of a one year contract is required, with a maximum period of two years. Pricing is valid through entire contract period.  
 Command Center MSP will be invoiced monthly.  
 Communication charges will be invoiced monthly via separate invoice if applicable.  
 Minimum monthly fee is \$675.00. Monthly invoice will reflect total number of endpoints deployed.  
 Training is required prior to implementation of Command Center MSP.

**Command Center MSP Benefits:**

Database Administration and Communication Monitoring  
 Guaranteed Up-Time  
 Data readily available via access to Internet Browser  
 Minimized start-up costs associated with running the system  
 Reduces IT and operational costs  
 Experienced staff with comprehensive knowledge administering the system  
 No Need to purchase and maintain:  
 - Software and server licenses  
 - Software upgrades  
 - Server hardware  
 Hunt Technologies' Annual Support and Software Agreements

**Annual Savings:**

Annual Support and Software Agreements (based on 3000 TS2 endpoints & 2010 rates)	\$ 7,000.00
System Management Support Annually	\$ 5,000.00
IT Disaster Recovery Support Annually	\$ 2,500.00
<b>Total Estimated Annual Savings</b>	<b>\$ 14,500.00</b>

**One-Time Cost Avoidance**

Server Software and Hardware	\$ 7,500.00
Microsoft® Windows and SQL Licenses	\$ 2,500.00
Communication Hardware at Central Server location (modems, routers, etc.)	\$ 2,000.00
TS2 Command Center License with RSS & LCS Functionality	\$ 29,000.00
<b>Total Estimated Cost Avoidance</b>	<b>\$ 41,000.00</b>

**Account Executive:** Leo Supan at 612-845-6001  
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**Rep Firm:** Zia Electric  
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### Quotation Summary

**Communications:** Estimated total costs do not include meters, meter installation, switches, routers, LAN modems, etc., that may be necessary to establish communications between the substations and the host computer, which will be defined after a site visit and will be your responsibility to purchase.

Landis+Gyr provides CISCO Router configuration and support services.

**Typical Modes for Communication from Central Server to Substation are:** Telephone(LAN), Fiber Optic, Cable Modem, Wireless Radio, Microwave and Satellite. Based upon selected Communication Media, you will be required to furnish associated equipment from a third-party supplier.

**Training:** Command Center training is required prior to system installation. Customer receives 16 free credits during the first year of deployment.

**TS2 Project Management Services:** Includes project management services, pre-site evaluations, and system engineering services for 12 months. Project management services consists of coordination of entire AMI implementation and corresponding field activities that include pre-site visit, substation analysis, system engineering and design, planning of current and future deployments, development of training roadmap, management of all Landis+Gyr-supplied equipment and consultation on third-party substation equipment, and a single point of contact to ensure introduction to Landis+Gyr's support offerings is a smooth transition on the path to system self sufficiency. System engineering services also consists of development of the communications plan, development of design layout for each substation and finalization of Landis+Gyr-supplied equipment list. Project Services pricing is contingent on number of substations for entire project implementation.

After the initial 12 months, customer may choose to continue with project management services for a recurring monthly fee, may become certified in Landis+Gyr's commissioning processes via classroom training and field audit, or contact one of our preferred install providers directly. For more information on customized Project Services beyond the initial 12 months, please contact your sales coordinator.

**New Customer Orientation:** Includes system orientation and first substation commissioning services by Landis+Gyr's Field Services group.

**Commissioning:** On site field work to ensure correct installation, wiring and energizing of all substation equipment. System optimization performed via measurements and analysis completed at the substation and in the field at individual meter/endpoint locations.

**Software/Hosting Options:** During the initial 90 days of the system startup, Landis+Gyr will monitor the data on its server and will provide you with full access to it via web browser. At the end of the initial period, you can choose to purchase the Command Center software license and your own SQL Server and operate the system on your own or elect to purchase the monthly Command Center Managed Services Package (MSP) by signing an annual contract. On the 91st day, monthly MSP services invoicing will begin if a decision has not been made. This service will automatically be invoiced, including the communication cost from the server to the substation. The 90 day period will begin when the first substation has been commissioned.

**Third-Party Products:** Products that customer acquires or may need to purchase that are not manufactured by Landis+Gyr or that do not display the Hunt Technologies or Landis+Gyr logo.

### Standard Terms and Conditions

"Landis+Gyr" means Hunt Technologies, LLC, a Minnesota limited liability company with a principal place of business at 6436 County Road 11, Pequot Lakes, Minnesota 56472.

**Warranty:** Endpoints are Warranted for 18 months from date of shipment and Substation Equipment is Warranted for 12 months from date of shipment. Meters are covered under separate warranty.

Any Services Warranty, if any, will be described in the mutually signed agreement between the parties. If there is a breach of the product warranty, repair or replacement of the product is customer's sole remedy. Customer's sole remedy for a services warranty breach shall be defined in the agreement mutually signed by the parties.

**Quantities Required:** The actual quantities of substation equipment required will be dependent upon completed REQ documentation and analysis of each substation during pre-site visits by Landis+Gyr.

**Annual Support and Software Agreements:** Hunt Technologies' Support and Software Agreements are required, and will go in to effect at the beginning of the second year of the deployment phase.

**Freight and Tax:** Unless otherwise stated, prices do not include freight charges, installation, or tax.

**Terms:** Payment Terms is Net 30 days and Quote is valid for 60 days.

**Pricing:** Pricing submitted on quotation may be subject to change without notification to customer.

**Purchase Orders:** Our legal entity is Hunt Technologies, LLC and our preferred method of receipt is by fax 218-562-5133 or email [solutionsalescontact.na@landisgyr.com](mailto:solutionsalescontact.na@landisgyr.com) detailing product description, quantity, and price. We do not accept verbal Purchase Orders. Purchase Orders and payments must be issued to Hunt Technologies, LLC. For Canadian customers, Purchase Orders and payments must be issued to Hunt Technologies Global, Inc.

**Confidentially:** Information provided on Budgetary Quotations is confidential. Customer shall take all reasonable precautions to prevent such information from being divulged to third persons, including officers and employees not having legitimate need for the information.